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ASX/Media Release

CORTONA

RESOURCES LIMITED

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DARGUES REEF GOLD PROJECT: ROBUST AND VIABLE

POSITIVE SCOPING STUDY COMPLETED ON POTENTIAL \$30M UNDERGROUND MINE DEVELOPMENT

HIGHLIGHTS

- **Positive Independent Scoping Study completed on potential development of Dargues Reef, NSW:**
 - ***Initial 188,000oz of gold production over 4.5 years***
 - ***Average start-up production of around 40-50,000oz per year***
 - ***Scoping level cash operating costs of approximately A\$470/oz***
 - ***Estimated A\$68.4M pre-tax profit, 68% IRR (at A\$1,150/oz gold price)***
 - ***Estimated pre-production capital cost of approximately A\$30M***

- **Early cash flow with potential to achieve first gold production within three months of commencing development**

- **Considerable 'mine life' and production upside within emerging gold province at Majors Creek**

- **Feasibility Studies being planned. Approvals process to commence**

- **Exploration drilling ongoing at new *Tory Boy* (Exeter Farm) discovery**

Australian gold company Cortona Resources Limited (ASX: **CRC**) has outlined a pathway to gold production after completing a positive Scoping Study on a potential \$30 million underground mine development of its **Dargues Reef Main Lode**, part of its 100%-owned Majors Creek Gold Project located 60km east of Canberra in New South Wales.

The positive Study demonstrates the excellent returns that can be achieved from Cortona's planned first mining development within the extensive Majors Creek Gold Project, indicating estimated scoping level **cash operating costs in the order of A\$470/ounce** for production of **188,000 ounces over an initial mine life of 4.5 years**, down to a depth of 450 metres within the Dargues Reef Main Lode (Figure 1).

The Study concludes that the proposed development is technically and economically viable, using a cut-off grade of 3.5g/t and assuming 10% mining dilution and an average 95% gold recovery. Annualised production would be in the order of 40-50,000 ounces with an estimated pre-production capital cost of approximately A\$30 million.

This initial mine development would deliver an estimated A\$68.4 million pre-tax profit over the initial 4.5 year life, generating an Internal Rate of Return of 68% using a A\$1,150/ounce gold price.

The study was completed by independent mining engineering group Mining Plus Pty Ltd utilising Runge Ltd's Resource Estimate for Dargues Reef (Inferred and Indicated Resource of **1.44Mt @ 6.2g/t Au for 286,000oz**) – believed to be one of the highest-grade undeveloped gold deposits in Australia.

“Cortona has today taken a significant step towards joining the ranks of Australian gold producers,” said the Company's Managing Director, Peter van der Borgh. “The results of the Scoping Study indicate that Dargues Reef has the potential to be a highly profitable gold mine with plenty of upside.

“On the strength of these excellent results, we intend to move swiftly towards implementing the required Feasibility Studies and regulatory approvals for a mine, which will include consultation with the local community, while continuing our active exploration program to further improve project economics,” he added.

Cortona's Chairman Clive Jones added: “This is a great result for the project and puts the Company on a solid pathway towards production. Much credit should go towards the team who been unwavering in their commitment to the project, with the great results from this Scoping Study being released in the same week that we have been short-listed as a finalist for ‘Explorer of the Year’ at the Australian Mining Prospect Awards.”

Dargues Reef Scoping Study

Cortona has been provided with a Mining Study incorporating a detailed mining schedule comprising site establishment, development, production and processing figures.

Ore processing includes milling, recovery of gold and silver by gravity, and flotation of a sulphide-gold-silver-copper concentrate. In summary, the Study utilised an estimated gold price of A\$1,150/oz resulting in the following key parameters:

Production Summary

- *Gold production of 188,000 ounces over an initial mine life of 4.5 years, for annualised production of 40-50,000oz.*
- *Cut-off grade 3.5g/t, 10% mining dilution, 95% gold recovery.*
- *The proposed mining method is sub level open stoping accessed via a decline.*
- *Utilised best safety, environmental and cultural practice at all times to ensure minimal environmental and social impacts.*
- *Development waste scheduled to be used to fill the stopes over the course of the mine.*

Capital Cost

The estimated pre-production capital cost of A\$30 million included:

- *Minesite infrastructure including: Mining Office, Boxcut, Portal Steel Setup, Maintenance Facility with Fuel Bay, Compressors with concrete Pads, Milling Facility for Gold concentrate, Site Works as Roads, Lay down Yards, dams, Refuge Chambers, Substations, etc.*
- *Capital Development including: cable bolts, materials handling, decline, stockpile, return air access with raise, sump with sump stripping, substation and half of the access development, loading and haulage.*

Operating Cost

The estimated cash operating costs of A\$470/oz includes:

- *Production drill & charge-up, backfill of stopes, ore drives and half of access drives per level, cable bolts in operating development, materials handling including manual and tele-remote loading of production ore, milling of total ore for concentrate, electrical usage, principal management, engineering, and site support.*
- *“General Operating” costs account for safety items (mines rescue equipment), maintenance facility with fuel bay, compressors, mining offices and milling facility, fans, pumps and electrical distribution equipment.*

Summary

Cortona Resources has taken a significant step forward towards achieving its key corporate objective of developing a robust gold business at Majors Creek, based initially on the development of the Dargues Reef Main Lode.

The results of the Scoping Study indicate that Dargues Reef has the potential to be a profitable gold mine with substantial resource and production upside. The Company will now move swiftly towards implementing the required Feasibility Studies and regulatory approvals for a mine, which will include consultation with the local community, while continuing its active exploration program to further improve the project economics.

“Our strategy is to fast-track the development of a high quality gold operation at Dargues which will provide the cash flow to support ongoing exploration to develop a pipeline of satellite production opportunities within our extensive 700km² tenement holding,” Mr van der Borgh said.

Exploration drilling at the recent Tory Boy discovery at Exeter Farm, 2km north of Dargues, re-commenced this week.

Yours faithfully

Peter van der Borgh
Managing Director

Dargues Reef Mine Plan

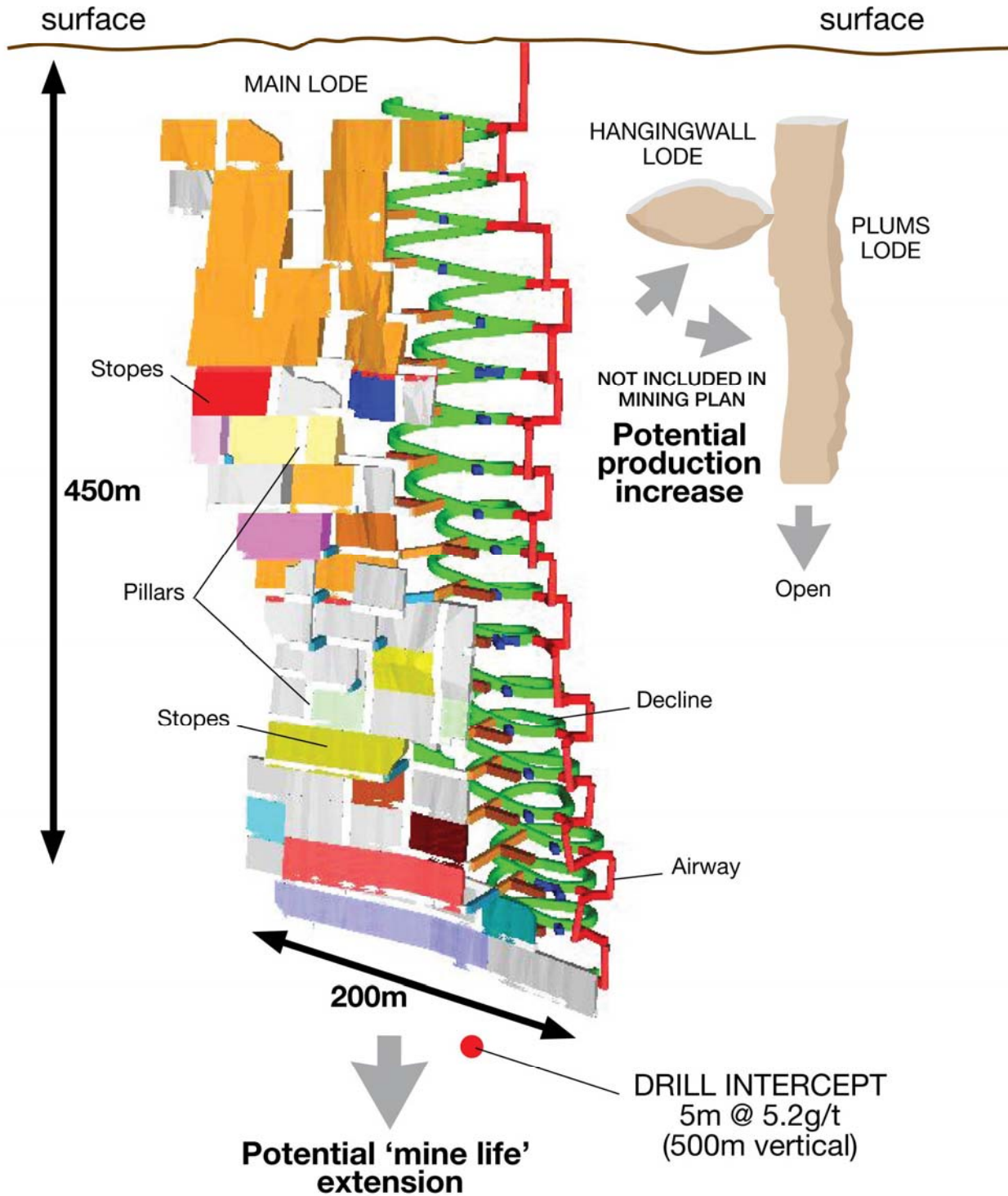


Figure 1: Dargues Reef Mine Plan generated from the Scoping Study. Colour coding of the stopes reflects the status of the mining activity.

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ABOUT CORTONA RESOURCES

Cortona is an emerging Australian gold company focused on the exploration and development of the Dargues Reef Gold deposit, part of its 100%-owned Majors Creek Project, located 60km east of Canberra in New South Wales.

Majors Creek was the largest historical alluvial goldfield in NSW, with historical production of 1.25 million ounces. The Dargues Reef underground mine was operated between 1870-91 and 1914-16 by numerous shafts to a maximum depth of 70 metres with initial mining of oxidised ore by open cut methods to depths of up to 10m.

Cortona is an energetic explorer, with aggressive exploration programs underway targeting an increase in the Indicated and Inferred Resource at Dargues Reef of 1.44Mt @ 6.2g/t for 286,000oz to underpin a long-term gold business.

The Company has a portfolio of gold and nickel projects in Western Australia and NSW.

Competent Persons Statement:

Information in this report relating to Mineral Resources has been completed by Mr Aaron Green of Runge Ltd., who is a member of the Australian Institute of Geoscientists. Mr Green has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'competent person' under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Green consents to the inclusion of the data in the form and context in which it appears. The contents of this report that relate to geology and historical exploration are based on information compiled by Mr Peter van der Borgh, who is a Professional Geologist and Fellow of the Geological Society. He has sufficient experience relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the 2004 Edition of the JORC Code. Mr van der Borgh consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

The information in this report that relates to Majors Creek – Dargues Reef Gold Project mining section ore reserves estimates is based on information compiled by Mr Wayne Emslie who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the mining method undertaken to qualify as a Competent Person as defined in the JORC Code (2004). Mr Wayne Emslie is a full time employee of Mining Plus Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.